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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/805,632	03/14/2001	Elaine Scott Mason	COS99039	3006

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ARLINGTON, VA 22201-2909

EXAMINER

GREIMEL, JOCELYN

ART UNIT	PAPER NUMBER
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3693

NOTIFICATION DATE	DELIVERY MODE
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11/07/2008

ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

patents@verizon.com

Office Action Summary	Application No. 09/805,632	Applicant(s) MASON, ELAINE SCOTT	
	Examiner JOCELYN GREIMEL	Art Unit 3693	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 25 July 2008.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-42 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-42 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

This communication is in response to Applicant's Arguments and Remarks filed 25 July 2008.

Status of Claims

Claims 1-42 are currently pending. Claims 2-5, 9-12, 16-19, 23-26, 30-33, and 37-40 are currently amended. Claims 1, 8, 15, 22, 29 and 36 are independent claims.

Claim Objections

The claim objections to claims 2, 9, 16, 23, 30 and 37 are withdrawn.

Claim Rejections - 35 USC § 112

The 112 rejection of claims 3-4, 10-11, 17-18, 24-25, 31-32 and 38-39 is withdrawn.

The 112 rejection of claims 4, 11, 18, 25, 32 and 39 is withdrawn. The 112 rejection of claims 5, 12, 19, 26, 33 and 40 is withdrawn. The 112 rejection of claims 7, 14, 21, 28, 35 and 42 is withdrawn.

Response to Arguments

Applicant's arguments filed 25 July 2008 have been fully considered but they are not persuasive. Applicants argue against the reference and the teachings of Kitchen and Smith. In response to applicant's arguments against the references individually, one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986). Please also see evaluation of claims and KSR v. Teleflex evaluation below.

Claim Rejections - 35 USC § 103 The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action: (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made. The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows: 1. Determining the scope and contents of the prior art. 2. Ascertaining the differences between the prior art and the claims at issue. 3. Resolving

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the level of ordinary skill in the pertinent art. 4. Considering objective evidence present in the application indicating obviousness or nonobviousness. Claims 1-3, 5-7, 8-10, 12-14, 15-17, 19-21, 22-24, 26-28, 29-31, 33-35, 36-38 and 40-42 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kitchen, US Pat. No. 6,289,322 in view of "Accounting Software 101," by Jan Smith et. al., PC- Computing, v5, n2, p252 (6) (hereinafter Smith). Re Claims 1-2,6, 8-9, 13, 15-16, 20, 22-23, 27, 29-30, 34, 36-37 and 41: Kitchen discloses a method, apparatus, e-billing system, server apparatus, computer readable medium and program for an e-billing system, comprising: retrieving customer invoice information that includes an invoice due date and an invoice amount (Kitchen, Figs. 9A, 9C, Fig. 11, col. 1, lines 9-20; col. 3, lines 9-31; and col. 6, lines 29-52 Note: "billing information" as used in Kitchen inherently includes an invoice due date and invoice amount. E.g., see col. 1, lines 18-20 where Kitchen suggests "billing information also includes the total charge, due date for payment and, in many cases, the minimum amount which must be paid by the due date"); displaying the invoice amount (Figs. 9A,9C, 11 and 15; col. 4, lines 37-42; col. 8, lines 4-8), and selectively receiving a payment input that authorizes a payment according to the invoice amount by the invoice due date (Kitchen, Figs. 10A-10C and 12A-12C; col. 1, line 42+ - col. 2, line 7; col. 8, line 56+ - col. 9, line 15; col. 12, line 16-48). Kitchen fails to explicitly disclose: calculating a discount amount based upon the invoice amount; displaying the calculated discount amount; and selectively receiving a payment input that authorizes a payment according to the calculated discount amount in advance of the invoice due date. Smith discloses: calculating a discount amount based upon the invoice amount (Smith, spec.

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abstract; last I[, Pg. 2 - third 1[, pg. 4); displaying the calculated discount amount (Smith, spec. abstract; last 1[, pg. 2 - third 1[, pg. 4); and selectively receiving a payment input that authorizes a payment according to the calculated discount amount in advance of the invoice due date (Smith, spec. abstract; last 1[, pg. 2 - third 1[, pg. 4). It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Kitchen by adopting the teachings of Smith to provide: calculating a discount amount based upon the invoice amount; displaying the calculated discount amount; and selectively receiving a payment input that authorizes a payment according to the calculated discount amount in advance of the invoice due date. One would have motivated to improve cash flow and build good will among customers. In addition to the explicit teaching-suggestion-motivation (TSM) of Kitchen and Smith supra, the claimed invention would have obvious to one of ordinary skill in the art. Helpful insights, however, need not become rigid and mandatory formulas; and when it is so applied, the TSM test is incompatible with our precedents. The obviousness analysis cannot be confined by a formalistic conception of the words teaching, suggestion, and motivation, or by overemphasis on the importance of published articles and the explicit content of issued patents. The diversity of inventive pursuits and of modern technology counsels against limiting the analysis in this way. In many fields it may be that there is little discussion of obvious techniques or combinations, and it often may be the case that market demand, rather than scientific literature, will drive design trends. Granting patent protection to advances that would occur in the ordinary course without real innovation retards progress and may, in the case of patents combining

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previously known elements deprive prior inventions of their value or utility. KSR v, Teleflex, 127 S.Ct. 1727, 82 USPQ2d at 1396 (2007). Base Device Kitchen teaches that bill processing is relevant to a plurality of businesses in diverse industries (e.g., merchants, utility companies, service providers and bankcard companies) (Kitchen, col. 1, lines 9-20). Kitchen further teaches that traditionally bills (invoices) are generated on a periodic basis (e.g., 30 day periods) (Kitchen, col. 1, lines 29-42) and that these bills (invoices) include detailed billing information (e.g., information regarding the goods or services purchased or ordered, the total charge, due date for payment of the bill (invoice), and minimum amount that must be paid by the due date) (Kitchen, col. 1, lines 9-20). Kitchen suggests that although traditional methods of bill processing involve the mailing of paper checks via the postal service, technology is moving in the direction of systems that allow for the payment of bills electronically (Kitchen, col. 1, line 43+ - col. 2, line 15). The invention disclosed in Kitchen provides a base device for electronic bill processing. In Kitchen the bill (invoice) information can be retrieved (Kitchen, Figs. 9A, 9C, Fig. 11, col. 1, lines 9-20; col. 3, lines 9-31; and col. 6, lines 29-52 Note: "billing information" as used in Kitchen inherently includes an invoice due date and invoice amount. E.g., see col. 1, lines 18-20 where Kitchen suggests "billing information also includes the total charge, due date for payment and, in many cases, the minimum amount which must be paid by the due date"); the bill (invoice) displayed (Figs. 9A, 9C, 11 and 15; col. 4, lines 37-42; col. 8, lines 4-8); and a payment input authorizing payment according to the invoice amount by the invoice due date received (Kitchen, Figs. 10A-10C and 12A-12C; col. 1, line 42+ - col. 2, line 7; col. 8, line 56+ - col. 9, line

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15; col. 12, line 16-48). Kitchen does not explicitly address the issue of calculating discounts to customers who pay their bills (invoices) early however, providing discounts to customers for early payment was old and well-known to businesses concerned about bill payment and processing. Known Technique It is old and well-known that having control over cash inflow and cash outflow can have a positive impact on business operations. Businesses have an incentive for receiving payments prior to or on the bill (invoice) due date. Bills (invoices) are generated for products and services already rendered and a business may need to recoup the money spent to apply to other uses. Furthermore, a business may be motivated by the increased income that may be earned on money received via early payment of bills (invoices). Businesses may be further motivated by the goodwill and loyalty achieved with customers who see discounts for early payments as a way to save. The Smith disclosure suggests that automated means for businesses to calculate a discount amount (Smith, spec. abstract; last 1[, Pg. 2 - third 1[, pg. 4); display the calculated discount amount (Smith, spec. abstract; last 1[, pg. 2 - third 1[, pg. 4); and receive payment for the discount amount (Smith, spec. abstract; last 1[, pg. 2 - third 1[, pg. 4).were known in the art at the time the invention was made. Thus, a method, apparatus, e-billing system, server apparatus, computer readable medium and program for an e-billing system comprising: retrieving customer invoice information that includes an invoice due date and an invoice amount; calculating a discount amount based upon the invoice amount; displaying the calculated discount amount; and selectively receiving a payment input that authorizes a payment according to the calculated discount amount in advance of the invoice due date would

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have been obvious to one of ordinary skill in the art. Providing discounts to customers for early payment has provided numerous incentives for businesses in terms of bill payment and processing, accounting and marketing in particular. Known work in one field of endeavor may prompt variations of it for use in either the same field or a different one based on design incentives or other market forces if the variations are predictable to one of ordinary skill in the art. Thus, the claimed subject matter likely would have been obvious under KSR. KSR, 127 S.Ct. at 1741,82 USPQ2d at 1396. Re Claims 3, 10, 17, 24, 31 and 38: Kitchen in view of Smith discloses the claimed invention supra and Kitchen further discloses: calculating an expiration date defining a pre-defined time period (Kitchen, Figs. 10A, 12C, co1.1, lines 29-42); and displaying the expiration date (Kitchen, Figs. 10A, 12C, co1.1, lines 29-42). Re Claims 5-6, 12-13, 19-20, 26-27, 33-34 and 40-41: Kitchen in view of Smith discloses the claimed invention supra and Smith further discloses: determining whether criteria for early payment discount are satisfied for a corresponding customer (Smith, spec. abstract; last l[, Pg. 2 - third 1[, pg. 4); and selectively applying the discount amount based upon the determining step (Smith, spec. abstract; last 1[, pg. 2 - third 1[, pg. 4). Re Claims 7, 14, 21, 28, 35 and 42: Kitchen in view of Smith discloses the claimed invention supra and Kitchen further comprising: executing an electronic fund transfer in response to the step of selectively receiving the payment input (Kitchen, Figs. 10A-10C and 12A-12C; col. 1, line 42+ - col. 2, line 7; col. 8, line 56+ - col. 9, line 15; col. 12, line 16-48). Claims 4, 11, 18, 25, 32 and 39 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kitchen in view of Smith as applied to claims 3,10,17,24,31 and 38 above, and further in view of "Three Ways to

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Get Your Customers to Pay Faster," Anonymous. Business Owner v23n5 pp:17 Sep/Oct 1999. (hereinafter Business Owner). Re claims 4, 11, 18, 25, 32 and 39: Kitchen in view of Smith discloses the claimed invention supra but fails to explicitly disclose wherein the discount amount is based upon a percentage of the invoice amount, further comprising: calculating another discount amount based upon another percentage of the invoice amount, the second discount amount being associated with another expiration date; and automatically applying either of the discount amounts based upon time of receipt of the payment input. Business Owner discloses wherein the discount amount is based upon a percentage of the invoice amount, further comprising: calculating another discount amount based upon another percentage of the invoice amount, the second discount amount being associated with another expiration date (Business Owner, pg. 17); and automatically applying either of the discount amounts based upon time of receipt of the payment input (Business Owner, pg. 17). It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Kitchen and Smith by adopting the teachings of Business Owner to provide an invention further comprising: calculating another discount amount based upon another percentage of the invoice amount, the second discount amount being associated with another expiration date; and automatically applying either of the discount amounts based upon time of receipt of the payment input. One would have motivated to improve cash flow and build good will among customers.

Conclusion

THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to JOCELYN GREIMEL whose telephone number is (571)272-3734. The examiner can normally be reached on Monday - Friday 8:30 AM - 4:30 PM EST.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Kramer can be reached on (571) 272-6783. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/James A. Kramer/
Supervisory Patent Examiner, Art Unit 3693

Jocelyn Greimel
Examiner, Art Unit 3693

October 28, 2008